PR-05

POM/BES-04 Lessons Learned
&
PR-05 Way Ahead

Brief to N8 Leadership Offsite
10 January 2003

POM Process

PR-05

“Strengths”

- Capability vice fiscally based
- Improved assessment quality & analytical rigor
- More open process
- Stakeholders (CFFC, USMC, Reserves) participation at every stage of development
- No surprises

“Weaknesses”

- Roles & responsibilities not completely defined
- “Real requirement” unbounded & unaffordable
  - –Fiscal accountability not established
- Lack of synchronization among N80, N81 and RS
  - –BAMs, IWARs/CPAM, MCPs, etc.
- Lack of process discipline created unnecessary churn

FMB Summer Review

PR-05

"Strengths"

- Close & successful coordination between ASNs and OPNAV staffs
- Focus on major issues was priority
  - Minor issues handled at lowest possible level
- Proper level of leadership engagement throughout process

"Weaknesses"

- Compression of endgame precluded assessment of Program tradeoffs
  - –Inadequate time to "turnaround" programming/budgeting requests
- Redundancies in process
  - –Multiple & duplicative adjustments to O&M accounts
- No overarching metrics to evaluate PPBS process "success"
  - –No clear link between final budget & strategic guidance/warfighter capability

OSD Program/Budget Review

PR-05

“Strengths”

- Clear and open process w/OSD
- OSD leadership engaged early & often
- Minimal changes to fiscal & programming guidance
- Program review focused on major issues

“Weaknesses”

- Fiscally unbounded guidance w/out clearly articulated priorities & strategies
- Simultaneous budget/program review sub-optimized solutions
- Unclear OSD lead on overall review process
- Study effort too broad for meaningful analysis
- Excessive CAIG estimates prevent procurement program stability throughout process

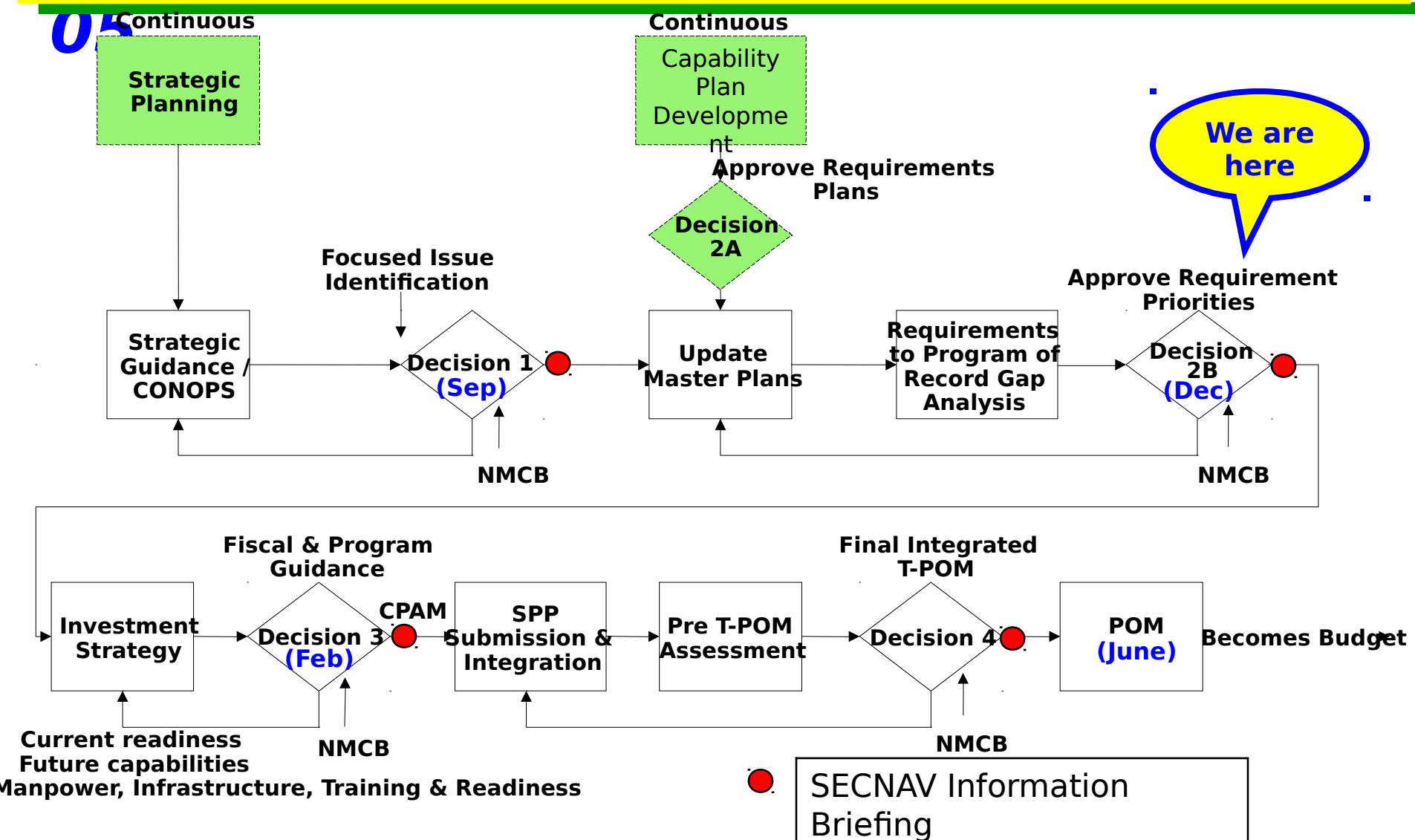
Changes to Process

PR-05

- Transitions to a two-year cycle
- Establishes BoD and NMCB
- Focuses issues early in process
- Establishes capability sponsor’s roles & missions
- Combines program budget databases
- Uses common validated performance models

Reduces churn and increases staff efficiency

PR-05 Timeline



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PR-05 Kick Off Events

- Issue PR-05 Serial 1 detailing new process
- BoD/CNO decision on OM&N to CFFC
- Agreed upon PR-05 calendar
- Ensure consistency in program and budget process

PR-05 Major Events

PR-05

10 Jan	Complete Capability Plan Validation	(N80/N81)
16 Jan	ISCP Brief to CNO (N70)	
20 Feb	Investment Strategy Brief to CNO (N81)	
25 Feb	Issue PR-05 Programming Guidance Serial (N80)	
14 Mar	Draft DPG Issued (OSD)	
1-3 Apr	SPP Briefs to CNO (N7/N4/N1)	
15 Apr	initial T-POM Brief to CNO (N80)	
30 May	Final T-POM Brief to CNO (N80)	
12 Jun	POM Lock	
16 Jun	Deliver POM to FMB (N80)	